



**DEPARTMENT OF THE ARMY
OFFICE OF THE ASSISTANT SECRETARY OF THE ARMY
INSTALLATIONS AND ENVIRONMENT
110 ARMY PENTAGON
WASHINGTON DC 20310-0110**



REPLY TO
ATTENTION OF

November 3, 2003

Honorable Duncan Hunter, Chairman
Committee on Armed Services
United States House of Representatives
2265 Rayburn House Office Building
Washington, D.C. 20515-0001

Dear Mr. Chairman:

Pursuant to the Report of the Committee on Conference accompanying the Military Construction Appropriations Act, 2001 (House Report 106-710), this letter notifies you that the Army intends to award a contract to develop a Community Development and Management Plan (CDMP) for the privatization of military family housing at Fort Drum, New York. The Army will award the contract no sooner than 45 days after the date of this notification. An Information Paper summarizing the intended project is enclosed.

The developer, selected under a Request for Qualifications (RFQ) process, will work closely with the Army to prepare the CDMP for Fort Drum. This plan will be fully coordinated with the Office of the Deputy Under Secretary of Defense for Installations and Environment (DUSD(I&E)) during its development. Once the plan is completed and approved, the Army will notify Congress that it intends to authorize the developer to implement the CDMP. The Army will not authorize the developer to proceed with implementation of the CDMP until Congress has at least 45 days to review the terms of the CDMP.

The DUSD(I&E) concurs with this notification. We would be pleased to provide you with any additional information you may need. This letter has been sent to the House and Senate Armed Services and Appropriations Committees, as well as the appropriate subcommittees of jurisdiction.

Sincerely,

William A. Armbruster
Deputy Assistant Secretary of the Army
Privatization and Partnerships

Enclosure
cc: Honorable Ike Skelton, Ranking Member



INFORMATION PAPER

SUBJECT: FORT DRUM RESIDENTIAL COMMUNITIES INITIATIVE (RCI)

The Army conducted a full and open competition for two RCI projects in the Northeast II region of the United States using a Two-Step Request for Qualifications (RFQ) solicitation process. On June 17, 2003, the Army issued an RFQ (Step One) for two housing privatization projects: (1) Fort Drum, New York; and (2) Carlisle Barracks, Pennsylvania, Picatinny Arsenal, New Jersey and Fort Monmouth, New Jersey. On August 8, 2003, the solicitation period ended and the Army began the evaluation of responses to down-select to a competitive range of highly qualified bidders. Offerors advancing to the competitive range (Step Two) subsequently compete for award of the individual installations. For each specific installation, the selected developer (contractor), having been duly qualified as the best value for the Government to revitalize family housing, may be permitted to undertake a variety of other residential housing projects such as barracks or bachelor officer quarters. Any future projects will be within the geographic boundaries on the installations included in this solicitation. The Army will soon begin the process of reviewing Step Two responses for the Fort Drum project and intends to award a contract to a developer to prepare, jointly with the Army, a Community Development and Management Plan (CDMP) no sooner than 45 days after this notification to Congress. The CDMP will define all aspects of the project to include construction, revitalization, and operation of the units. The Army estimates that this planning process will take approximately six months. Upon approval by the Army and OSD, the Army will provide the CDMP to Congress for review 45 days prior to taking any action to authorize its implementation.

- Currently, the project has 2,272 government-owned family housing units. The majority of on-post housing was constructed within the last 15 years and has been well maintained.
- The developer will be expected to assume responsibility for the installation's 2,272 family housing units, and will be provided a long-term interest in the underlying land. The developer will address the family housing requirement in 2008 of 3,516 units either through new construction or use of off post rental property. The Army is seeking a solution to the pending expiration (2007 through 2010) of Fort Drum's 2,000 units of off post housing leased under Section 801 in the National Defense Authorization Act. The renovation or construction will be completed during the first ten years of the project. Throughout the fifty-year lease period, the developer will operate and maintain all the housing.